

# **SECTION IV**

## **MONITORING PLAN**

The Department of Community Development and Housing (CDH) has developed a monitoring system to ensure that the activities carried out in furtherance of the Plan, are done so in a timely manner in accordance with all applicable laws, regulations, policies and sound management and accounting practices.

### **MONITORING OF CONSTRUCTION/ACQUISITION PROJECT PROGRESS**

Upon completion of the environmental review process and the subsequent Release of Funds (ROF), CDH will contract with Delegate Agencies to implement its construction, acquisition and clearance activities. A Delegate Agency may be a cooperating city or a County department. Attachments to each contract lay the foundation for ongoing monitoring. The attachments are:

- a description of the project/activity;
- the specific total funding allocation available for the project/activity;
- the funding portions currently released and available to expend;
- the budget categories under which the allocation will be expended;
- identification of the entity responsible for maintenance and operation of the completed project; and,
- delineation of specific procedures for project/activity implementation.

The following forms/reports are used for construction/acquisition monitoring:

- Construction Project Tracking Report;
- Payroll Log;
- Project Progress Letters; and,
- Cooperating Cities Office Visit Monitoring Form.

## **MONITORING OF PUBLIC SERVICE PROGRAMS**

Grant funded public service programs are carried out by subrecipient non-profit agencies or by cooperating cities. The subrecipient contracts or delegate agency agreements (in the case of cities) lay the foundation for the on-going monitoring of the public service activities. The contracts specify the services to be provided, the amount of grant funding to be utilized, the clientele to be served, and the reporting requirements. The contracts require monthly reports from the subrecipients. CDH staff review program progress, the allowability of expenditures for reimbursement, and compliance with all other contract requirements.

Additionally, on site monitoring visits are conducted at least annually to review subrecipient's record keeping, provision of service and service facilities. The following forms/reports are used in monitoring public service programs:

- Direct Benefit Form;
- Beneficiary Qualification Statement;
- Monitoring List of Community Based Organizations under Contract; and,
- Community Based Organization Office Monitoring Visit Form.

## **MONITORING OF CONTINUING ELIGIBILITY OF CAPITAL EQUIPMENT AND FACILITIES**

Monitoring of the eligibility of equipment and facilities during acquisition or construction is conducted under the project implementation stage of the County's housing and community development program. Upon project completion, the on-going eligibility is governed by the maintenance and operation agreement in effect for the project. To monitor compliance, the project is logged onto a master listing of projects to be monitored. The time period for compliance is noted along with information about the project. The scheduling of various monitoring activities is controlled from this list and a monitoring schedule listing. The following forms/reports are used in monitoring continuing eligibility:

- Contract Monitoring Report;
- Monitoring Schedule;
- Procedures for On-Site Monitoring of Facilities;
- Equipment and Vehicles;
- On-Site Monitoring Form;
- Eligible and Ineligible Uses Listing;
- Review of Public Facilities/Equipment Use Certification;
- Public Facility Certification Form, Equipment Certification; and,
- Direct Benefit Certification and the Income Statement.

## **MONITORING OF BUSINESS DEVELOPMENT LOAN ACTIVITY**

The function of negotiating, entering and monitoring CDBG-funded business development loans has been delegated from CDH to the County's newly-formed Economic Development Agency (EDA). A Memorandum of Understanding (MOU) entered in November 2005 governs the coordination responsibilities between CDH and EDA.

EDA will take the following steps/actions in monitoring Business Expansion Loans:

- Within 30 days after final loan approval by the Board of Supervisors and the Department of Community Development and Housing (CDH) EDA staff will meet with the company's representative to review the following:
  - Review the borrower's commitment of filling, to the best of their ability, a minimum 51 percent of all new and retained jobs, by persons of low- and moderate-income, and;
  - Confirmation of the borrower's listing of positions of the new and retained permanent jobs. In the case of job retention, borrower will submit a list of retained positions and identify those positions currently held by person of low-and moderate-incomes.
  - Inform the company's representative on how to complete the Employment Certification Form that is required for each retained or new employee.
  - Advise the representative of the required submission of the quarterly DE-3, the Employee Certifications, and the annual financial statements.
- EDA staff will schedule the first monitoring visit within six months from the time the loan was approved.
- Monitoring visits will be conducted on an annual basis, following a specific schedule.
- A Monitoring Report will be completed by EDA staff for each monitoring visit.
- Companies who fail to meet the 51% hiring criteria will receive a written request for explanation. If applicable, the company shall be given a specific time period for meeting compliance with their agreed hiring goals.
- At the end of the initial two years of the loan term, if compliance with the Loan Agreement requirements are not met, EDA has the right to call the loan.

## **MONITORING OF HOUSING PRESERVATION AND DEVELOPMENT**

All affordable housing programs assisted by CDBG and/or HOME funds will be monitored in accordance with the governing federal regulations. Additionally, the following monitoring procedures will be implemented for all housing preservation and development programs:

- While in progress, each residential rehabilitation will be inspected by CDH for compliance with contract specifications and appropriate workmanship standards upon receipt of a progress payment request from the contractor.
- Costs associated with the charges by a subrecipient for residential repair services (administration, travel, labor and materials) will be monitored on a project by project basis.
- Random inspections of all residential rehabilitation and repair job sites will be conducted periodically by CDH.
- Upon receipt of a request for final payment from a contractor, CDH will conduct a final inspection of each residential rehabilitation for compliance with contract specifications and workmanship standards. Compliance with these standards must be verified prior to releasing the final payment to the contractor.

## **EMERGING SMALL BUSINESS OUTREACH**

In 1997, a court decision upheld the validity of Proposition 209, which prohibits the use of any preference in the award of contracts. Another court decision found the State's Minority and Women Business Enterprise Program unconstitutional. As a result, the County Board of Supervisors revised County Policy 11-15 on January 13, 1998. This County Policy was re-designated as County Policy 15-01, effective on July 1, 2000. The policy revision converted the Minority and Women Business Enterprise (MWBE) participation program to an Emerging Small Business Enterprise (ESBE) outreach program. Under this new program, access will be increased to County contracting opportunities for all emerging small businesses, regardless of the race and gender of their owners. The County has established a Small Business Enterprise Manager who is developing and maintaining a directory of registered Emerging Small Business Enterprises. This directory is being used by County departments and prime contractors to identify, reach out to and procure goods and services from qualified ESBE's.

## **EMERGENCY SHELTER GRANT (ESG) ACTIVITIES**

ESG funded activities are carried out by subrecipient non-profit organizations to provide shelter, essential services and homelessness prevention services. Subrecipient contracts are written by the County and entered with ESG agencies selected through a Request For Proposals (RFP) process and listed in Section III of this document. In addition to the

homeless services to be provided, the ESG contracts will specify budget line items and will require compliance with federal ESG program regulations. Under these regulations no more than 30% of ESG funds can be spent for essential services, and no more than 10% can be spent on staff costs for provision of essential services. County CDH will monitor contract performance, including compliance with these CDH spending caps.

## **MONITORING OF CONTINUING COMPLIANCE OF THE HOME PROGRAM**

Each HOME loan for Rental Housing projects is approved by the San Bernardino County Board of Supervisors and is governed by a HOME loan agreement which sets forth the guidelines for each project. The majority of the HOME agreements require the delivery of HOME Project Compliance Reports and Home Program Project Information Sheets on an annual basis. CDH staff review the provided documentation for compliance with the HOME agreement requirements and HOME regulations.

On site monitoring visits to HOME-assisted rental housing projects are conducted in accordance with the requirements of the HOME agreement. On-site visits involve the following elements:

- An entrance conference with program participant staff to communicate the objectives, scope and focus of the monitoring;
- File review, verification and documentation of performance data;
- Physical inspection;
- Exit conference with participant staff.

The following forms/reports are used in monitoring continuing eligibility:

- On-Site Monitoring Schedule;
- Tenant Survey Form;
- HQS Inspection Form;
- Current Rent Rolls;
- Certification/Recertification of Tenant Income;
- HOME Project Monitoring Data;
- Marketing Plan;
- Rental Unit Maintenance Documentation.

## **MONITORING OF CONTINUING COMPLIANCE OF MULTI-FAMILY REVENUE BOND PROJECTS**

Each Multi-family Mortgage Revenue Bond issue is governed by a regulatory agreement which sets forth the guidelines for each project during the qualified project period or as long as the bonds are outstanding. The regulatory agreements require monthly, quarterly and/or annual certificates of continuing compliance reports with certificates of tenant eligibility and verification of income for participating tenants. CDH staff review the reports and certificates for compliance with the regulatory agreement requirements.

On site monitoring visits are conducted annually. At a minimum, on-site visits involve the following elements:

- An entrance conference with program participant staff to communicate the objectives, scope and focus of the monitoring;
- File review, verification and documentation of performance data;
- Physical inspection;
- Exit conference with participant staff.

The following forms/reports are used in monitoring continuing eligibility:

- On-Site Monitoring Schedule;
- Site Visit Record Checklist;
- Multi-family Mortgage Revenue Bond Inspection Form.